

# DAILY MARKET SUMMARY



VOLUME 3 December 2, 2020

## LOCAL STOCK MARKET: (J\$) <sup>+</sup>

Stock Symbol	SEP	CAR	WIG	LASD	CAC
Current Price (\$)	65.04	6.43	0.75	3.16	8.43
Trailing EPS (\$)	4.20	0.70	0.052	0.24	0.16
P/E (times)	15.50	9.18	14.30	13.39	53.83
Projected P/E	19.35	9.72	12.07	12.25	48.16
Projected EPS (\$) <sup>*</sup>	3.36	0.66	0.062	0.26	0.18
Book Value per share (\$)	22.55	0.37	0.35	1.72	2.90
Price/Book Value (times)	2.88	17.52	2.12	1.84	2.91
Dividend Yield (2019 %)	3.34%	7.07%	N/A	1.11%	0.21%
Volumes	6,589	264,812	2,930,281	4,077	NIL
Recommendation	HOLD	BUY	BUY	BUY	SELL

## FOREIGN EXCHANGE MARKET TRADING SUMMARY

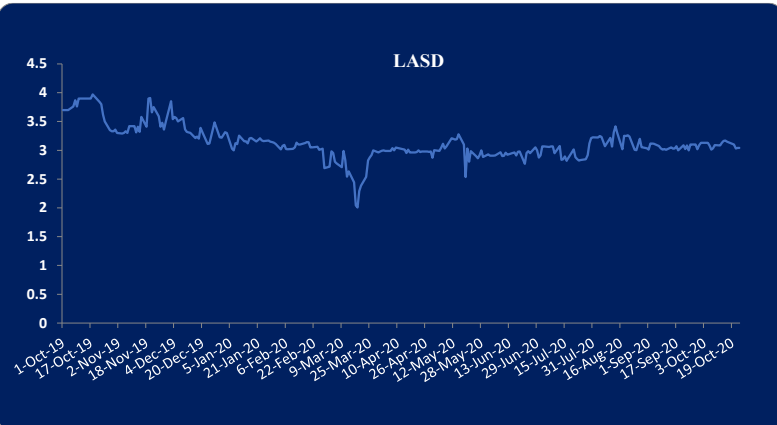
Currency	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	148.000	115.830	145.4815	154.440	135.000	146.4805
CAN	114.200	96.000	112.2051	116.682	102.000	112.9216
GBP	194.300	169.000	187.8021	203.251	183.000	194.8315
EURO	172.300	140.200	167.7430	179.500	169.150	178.6937

\*Rates as at December 01, 2020

## MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (December 02, 2020) trading session. The overnight rate stood at 0.30% to 0.50%, while the 30-day rate was 1.40% to 1.60%.

The US dollar fixed income market was also liquid during today's (December 02, 2020) trading session; The overnight market rates were quoted at 1.50% while the 30-day market rates stood at 1.70% to 1.90%.



## STOCK OF THE DAY: Lasco Distributors Limited (LASD)

**For the six months ended September 30, 2020:**

Lasco Distributors Limited (LASD), for the six months ended September 30, 2020, posted 7% growth revenues to \$10.06 billion, up from \$9.41 billion in the corresponding period in 2019.

Cost of sales amounted to \$8.20 billion, up 9% on the \$7.51 billion reported in the prior comparable period.

Consequently, gross profit recorded a decrease of 2% year over year, closing at \$1.86 billion compared to the \$1.90 billion generated for same period in the prior year.

Other operating income rose by 78% to end the six months period at \$80.74 million relative to \$45.31 million in the corresponding period last year.

Operating Expenses of \$1.36 billion was booked for the six months, a reduction of 10% in comparison to the \$1.50 billion recorded for the comparable period of 2019.

Operating profit rose by 32% to close at \$582.20 million for the period under review versus \$439.82 million recorded twelve months earlier.

Finance Cost decreased to \$2.70 million for the period compared to \$10.06 million booked in the year prior.

Pre-tax Profits amounted to \$579.50 million, an increase of 35% from the \$429.76 million in the previous year.

Net Profit for the period closed at \$488.06 million (2019: \$385.58 million), a 27% increase year over year. LASD noted, "Notwithstanding the severe impact of the current global pandemic, LASCO Distributors Limited continues to make progress." Total Comprehensive Income for the first six months totalled \$501.17 million (2019: \$400.84 million). While for the quarter, Total Comprehensive Income amounted to \$243.15 million (2019: \$236.93 million).

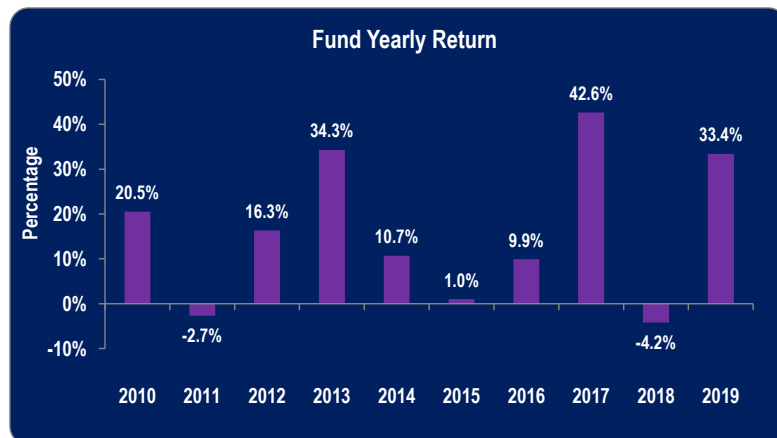
Earnings Per Share for the six months ended September 2020 totalled \$0.14 versus \$0.11 for the corresponding period in 2019. The trailing twelve months EPS is \$0.24.

## Over The Counter Funds (CI FUNDS)

### Signature Global Technology Corporate Class

This fund invests primarily in equity and equity-related securities of companies around the world that have developed or are developing technological products, processes or services.

The fund has a 3 year return of 21.4% and a 5 year return of 22.9%. The Fund also has a 10 year return of 17.6%. Rates are as at October 31, 2020.



<sup>+</sup>Prices are as at December 02, 2020 \*Projections are made to the company's financial year end

“Optimism among small business owners has fallen to a four-year low as the pandemic drags on. That’s one finding from a Bank of America Corp. survey of more than 1,000 entrepreneurs between July and September. Only 39% of respondents expect their local economy to improve in the next 12 months, down from 51% at the start of the year, the survey found. Hiring plans and revenue expectations are at the lowest levels since 2012 and 2013, respectively. Still, seven in 10 small-business owners say they plan to keep staffing levels steady in 2021.”

<https://www.bloomberg.com/news/articles/2020-12-02/u-s-small-business-confidence-drops-to-4-year-low-bofa-finds?smd=economics-vp>

“Few places expose the uneven economic impact of the U.K.’s Covid crisis more clearly than the property market. House prices have surged to new records and mortgage approvals are at the highest level since before the financial crisis as the affluent take advantage of rock-bottom interest rates and a transaction-tax cut to seek more space or leave urban areas. At the same time, millions struggle, with the pain of job losses falling hardest on the young and the low-paid.”

<https://www.bloomberg.com/news/articles/2020-12-02/u-k-s-hot-housing-market-highlights-covid-s-two-speed-economy?smd=economics-vp>

## PLATINUM PORTFOLIO

### Platinum Portfolio Yield Measures as at November 30, 2020

	Percentage (%)
Yield to Maturity	3.98
Weighted Average Coupon	4.907
Current Yield	4.84

The platinum portfolio has an effective maturity of 13.31 years and duration of 4.90 years.

## STRUCTURED PRODUCT

### Mayberry Gold

This portfolio is ideal for investors, both retail and corporate, seeking a conservative, short-term investment. The securities in the Gold are directly owned by the client and provide them with a safe investment option. Our Gold portfolio can also provide investors with coupon payments that can generate a positive income stream.

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### MIL Ratings System:

**BUY:** We believe the stock is attractively valued. The company has sound or improving fundamentals that should allow it to outperform the broader market. We anticipate the stock will outperform the market over the next 12 months. The risk factors to achieving price targets are minimal.

**HOLD:** We believe the stock is fairly valued at the current price. The company may have issues affecting fundamentals that could take some time to resolve. Alternatively, company fundamentals may be sound, but this is fully reflected in the current stock price. The risk factors to achieving price targets are moderate. Some volatility is expected. In addition, technically it may be difficult to attain additional volume of the stock(s) at current price.

**SELL:** We believe the stock is overpriced relative to the soundness of the company’s fundamentals and long-term prospects.

**SPECULATIVE BUY:** We believe the prospects for capital appreciation exist, however there is some level of uncertainty in revenue growth.

Source: [www.jamstockex.com](http://www.jamstockex.com), [www.bloomberg.com](http://www.bloomberg.com), [www.investopedia.com](http://www.investopedia.com), [www.tradewire.com](http://www.tradewire.com)



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